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Supreme Court of the United States

October Term, 1947

No. 170

THOMAS BULLITT DIXON,

Petitioner,

vs.

AMERICAN TELEPHONE AND TELEGRAPH COMPANY; WESTERN ELECTRIC COMPANY, INCORPORATED; PHILIPP, SAWYER, RICE & KENNEDY; JAMES J. KENNEDY, JR.; FISH, RICHARDSON & NEAVE; HENRY R. ASHTON; JOHN McGLONE,

Respondents.

BRIEF ON BEHALF OF RESPONDENTS AMERICAN TELEPHONE AND TELEGRAPH COMPANY, WESTERN ELECTRIC COMPANY, INCORPORATED, FISH, RICHARDSON & NEAVE, HENRY R. ASHTON AND JOHN McGLONE, IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SECOND CIRCUIT

HOMER H. BRELAND,
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BENJAMIN R. SHUTE,
Of Counsel.

August 19, 1947.

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OPINIONS BELOW AND JURISDICTION

The opinion of the District Court for the Southern District of New York (R. 757-774)* upon the granting of Re-

*All references to the Record are to folios unless otherwise indicated.

spondents' motion for summary judgment is unreported. The opinion of the Circuit Court of Appeals for the Second Circuit (R. 907) with respect to which certiorari is sought is reported in 159 F. (2d) 863. On February 21, 1947, the Circuit Court of Appeals denied a petition for rehearing (R. 931).

Jurisdiction of this Court is presumably invoked by the Petitioner under Section 240(a) of the Judicial Code, as amended by the Act of February 13, 1925 (43 Stat. 938, 28 U. S. C. § 347).

STATEMENT OF THE CASE

The Petitioner's statement of the case (Petition, pp. 2-4; Brief, pp. 5-10) is so confused and contains so many inaccuracies and omissions that a complete restatement of the facts is necessary.

The decision which Petitioner seeks to review affirmed a decision of the District Court granting Respondents' motion for summary judgment under Rule 56 of the Federal Rules of Civil Procedure. That motion was based on the ground that there was no genuine issue as to any material fact and that Respondents were entitled to judgment as a matter of law (R. 328, 331).

Petitioner's reamended complaint set forth a cause of action "in the nature of a bill of review" to vacate and set aside, for alleged collateral fraud, a final decree of the Federal District Court for the Southern District of New York entered February 6, 1936*, which decree was affirmed on appeal by the Circuit Court of Appeals for the Second Circuit, without opinion, on January 4, 1937 (87 F. (2d)

*The opinion of the District Court is reported in 12 F. Supp. 996.

1002). The final judgment of the Circuit Court of Appeals in that case was dated January 21, 1937. That prior suit had been brought in 1932 by the same Petitioner against the corporate Respondents herein for alleged infringement of Petitioner's patent (R. 18-20). In that suit the District Court had adjudged Petitioner's patent valid, but held that it was not infringed, on the ground that the term "radiant energy" in Petitioner's patent did not include an electrical current and that the alleged infringing device, which utilized electrical current, therefore did not infringe (12 F. Supp. 996).

On January 20, 1943, six years after the conclusion of the prior case, Petitioner began the instant action to vacate and set aside the decree in the prior suit on the ground that his own attorneys in that suit and Respondents' attorneys had allegedly made a corrupt and fraudulent bargain to "throw" the case (R. 31-32, 36 *et seq.*). Notwithstanding seven affidavits and 23 exhibits filed in opposition to Respondents' motion, Petitioner has never alleged any terms of the alleged corrupt bargain between counsel in the prior suit. He seeks to infer it, mainly from conduct of his own counsel and also from certain alleged acts of Respondents' counsel. All the Respondents have categorically denied the charges (R. 336, 367, 375).

Petitioner's principal allegations are charges that his case should have been tried more expertly than he believes it was. Thus, he has alleged failure on the part of his counsel to produce evidence showing commercial use of the invention in suit (R. 42-43, 52-53, 663-74) and evidence allegedly showing that the term "radiant energy" included electrical current (R. 69-78, 674-82).

Petitioner's only allegation of any relevant overt act by Respondents' attorneys in the prior litigation worthy of

mention is a stipulation between counsel which allegedly limited his proof (R. 111-17, 393-94, 487-94).

The District Court succinctly described the Petitioner's proofs, as follows:

> "A careful examination of the affidavits submitted by plaintiff upon this motion shows a complete lack of any proof of a corrupt bargain or conspiracy between the defendants or any of them.
>
> * * * * * * * *
>
> "Criticism, after an adverse result, of one's attorney, does not prove or justify a conclusion of corrupt action or connivance on the part of the adversary. Here practically the only evidence offered by plaintiff is as to his counsel's conduct. Whether justified need not be decided. Even if sustained, it would not be sufficient basis for a denial of this motion. It would be a matter between plaintiff and his counsel, and would in no way, absent other proof, involve the other defendants" (R. 768-71).

The Circuit Court of Appeals affirmed the District Court on the ground that, as a matter of law, Petitioner's delay in the commencement of this action for six years after he had full knowledge of the alleged fraud, during which time three of the attorneys intimately connected with the original patent infringement action had died, was a fatal defect in the Petitioner's case which he could not cure on a trial, and that the case therefore presented no triable issue of fact. As pointed out by Judge Frank in his opinion:

> "* * * Had there been a trial, none of the defendants, by their testimony, would have contributed anything concerning the reasons for the delay; if, at the trial, his testimony [the Petitioner's] had

> been in accord with his affidavits and had been believed, nevertheless dismissal for laches would have been necessary." (R. 917; matter in brackets supplied.)

Respondents submit that both grounds for deciding the case are clearly right.

QUESTION PRESENTED

The basic question now before this Court is whether the Petition presents any sound reason for a further review of the case. Petitioner has not suggested any such reason. Since his only argument is that, on the facts, both Courts below were wrong in granting Respondents' motions for summary judgment under Rule 56 of the Federal Rules of Civil Procedure, we shall also deal briefly with the factual situation on which those decisions were based.

SUMMARY OF ARGUMENT

1. The Petition does not raise any question of public or general interest and both decisions below are in accord with the decisions of this Court and of the Circuit Courts of Appeals under Rule 56.

2. The District Court correctly decided that Petitioner had not shown any evidence from which the existence of an alleged conspiracy could be reasonably inferred, and therefore that the Respondents were entitled as a matter of law to summary judgment under Rule 56 of the Federal Rules of Civil Procedure.

3. The Circuit Court of Appeals correctly decided that as a matter of law Petitioner's action was barred by laches.

Petitioner's delay of over six years in commencing the action to set aside the earlier decision, even though Petitioner had all the facts at his disposal at the beginning of that six-year period, has not been satisfactorily explained. The death of three of the attorneys connected with the prior trial during that six-year period deprived the Respondents of important witnesses for their defense.

ARGUMENT

I.

THE PETITION DOES NOT RAISE ANY QUESTION OF PUBLIC OR GENERAL INTEREST AND BOTH DECISIONS BELOW ARE IN ACCORD WITH THE DECISIONS OF THIS COURT AND OF THE CIRCUIT COURTS OF APPEALS UNDER RULE 56.

The District Court decision in this case is best described by the same District Court Judge who rendered it, in a subsequent opinion denying Petitioner's motion for leave to amend the reamended complaint and to amend one of his previous affidavits, as follows:

> "* * * The gist of that decision was that there was a complete lack of any proof of a corrupt bargain or conspiracy; that the inferences which plaintiff sought to draw from certain of his statements were equally as susceptible of a lack of wrong as with its presence; and that criticism after an adverse result of his attorneys did not prove or justify a conclusion of fraudulent action or connivance on the part of his adversary" (R. 828-29).

The Circuit Court of Appeals chose to base its affirmance on the ground that "as to laches, there was no issue of fact but only one of 'law' " (R. 918).

The ground of each of these decisions, which are not inconsistent, is the proposition that Petitioner, in his seven affidavits and 23 exhibits filed in opposition to the motion, failed to present any genuine issue as to a material fact, and that therefore Respondents are entitled to judgment as a matter of law. That narrow question on the record in this case presents no point of public or general interest or any novel construction of Rule 56 of the Federal Rules of Civil Procedure, and the case is in accord with the decisions of this Court and of the several Circuit Courts of Appeals.

The rule is clear that the party against whom the motion for summary judgment is made must establish a genuine issue of fact in order to defeat such a motion. Judge Clark of the Second Circuit Court of Appeals stated the applicable law in *Bushwick-Decatur Motors, Inc.* v. *Ford Motor Co.,* 116 F. (2d) 675 (CCA 2d, 1940), as follows:

> "* * * In my judgment, the summary judgment will lose much of its usefulness, will be in effect little more than the old demurrer, if a 'genuine issue' is discoverable when, as here, the full and complete affidavits of the parties show no basis upon which a plaintiff's verdict could be sustained" (at p. 679).

In upholding a motion for summary judgment in a comparable recent conspiracy case, *Lindsey* v. *Leavy,* 149 F. (2d) 899, at 901 (CCA 9th, 1945), cert. den. 326 U. S. 783 (1946), the Court described exactly the situation here:

> "The record fails to sustain appellant's charge of conspiracy amongst the appellees, or any of them,

> and no facts were disclosed from which an inference of conspiracy against appellant can arise."

See also *Toebelman* v. *Missouri-Kansas Pipe Line Co.*, 130 F. (2d) 1016 (CCA 3d, 1942); and 3 Moore, Federal Practice, p. 3190.

The instant case fits squarely within this Court's description of the limits of the summary judgment rule. *Sartor* v. *Arkansas Gas Corp.*, 321 U. S. 620, at 624, 627 (1944). See also *Griffin* v. *Griffin*, 327 U. S. 220, at 236 (1946); *Associated Press* v. *U. S.*, 326 U. S. 1, at 6 (1945); and *Milcor Steel Co.* v. *Fuller Co.*, 316 U. S. 143 (1942).

Indeed, the very Circuit Court of Appeals which here decided in favor of the Respondents has been the strictest in denying relief under Rule 56 where it has found the slightest ground for granting a full trial. *Doehler Metal Furniture Co.* v. *United States*, 149 F. (2d) 130, 135, 136 (CCA 2d, 1945); *Arnstein* v. *Porter*, 154 F. (2d) 464 (CCA 2d, 1946); and *Bozant* v. *Bank of New York*, 156 F. (2d) 787, 790 (CCA 2d, 1946). *Cf. Avrick* v. *Rockmont Envelope Co.*, 155 F. (2d) 568, 571, 573 (CCA 10th, 1946); *Madeirense do Brazil, S/A* v. *Stulman-Emrick Lumber Co.*, 147 F. (2d) 399 (CCA 2d, 1945); and *Engl* v. *Aetna Life Insurance Co.*, 139 F. (2d) 469, at 472-473 (CCA 2d, 1943).

II.

THE DISTRICT COURT CORRECTLY DECIDED THAT PETITIONER HAD NOT PRODUCED ANY EVIDENCE FROM WHICH THE EXISTENCE OF AN ALLEGED CONSPIRACY COULD BE REASONABLY INFERRED.

The following brief review of the record demonstrates, we submit, that Petitioner has failed to produce any facts

which raise a genuine triable issue of fact. As the District Court pointed out, Petitioner's principal allegations amount only to criticisms of his own counsel's conduct in the trial of the patent infringement suit (R. 768-70). Petitioner has stated the gist of his case as follows (R. 563-64):

> "In my said annexed affidavit, while the facts stated have more particular reference to the conduct of James J. Kennedy, Jr. [his own counsel in the prior suit] * * *, they are equally applicable, as applying to the fraud alleged, to all of the defendants, the material facts and circumstances of the case pointing unmistakably to the 'handwriting on the wall' which reads: Firstly, James J. Kennedy, Jr., acting under the supervision of James J. Kennedy, * * * highly trained experts in the law of patents, * * * having the substantial interest of thirty per cent in any recovery in the aforesaid prior suit,—could not, unless mad, have made of plaintiff's case an evidential Desert of Sahara as they did make of it, *unless*, secondly, *they did so because of some sort of corrupt bargain with defendants* to corruptly sell out plaintiff's case." (Italics and matter in brackets supplied.)

In other words, Petitioner bases his serious charges here on his conclusion that the conduct of the prior case by his own counsel was so detrimental to Petitioner that there must have been a fraudulent agreement with defendants and their counsel. Not only does that syllogism, unsupported by evidence, fail to state a case against the corporate Respondents and their counsel, but indeed an examination of the entire record demonstrates that Petitioner has no valid complaint against his own counsel.

1. Facts showing commercial use

Petitioner's counsel appear to have been right in not attempting to establish commercial use or operative utility. The only alleged commercial use, in so far as it pertains to the patent in suit, was restricted to a brief experimental use in 1908, proof of which would have created an inference of failure instead of one of success (R. 384-87; see also R. 340-43, 608-13, 667-73). The only commercial success was that of a *modified* arrangement, not of the invention covered by Petitioner's patent (*id.*). Petitioner confuses this issue by arguing that the brief 1908 experimental use was on a commercial line (Brief, pp. 24-25). That fact does not change the experimental nature of the brief use of Petitioner's invention in 1908.

The wisdom of omitting evidence of the actual use of Petitioner's invention was confirmed by Petitioner's victory on the issue to which it was mainly relevant—the validity of the patent. On the issue of infringement, neither the brief experimental use of the invention nor the commercial success of the modified arrangement would have assisted the Petitioner.

2. Evidence on the infringement question—Petitioner's argument that his phrase "radiant energy" included electrical current

In the prior suit the District Court found no infringement, on the ground that the term "radiant energy" in Petitioner's patent was not sufficient to embrace Respondents' device employing electrical current to achieve the same results claimed for Petitioner's device. The District Court's opinion in the prior suit succinctly stated that issue and the basis of its decision against the Petitioner, as follows:

> "A careful reading of Dixon's patent brings to me the conviction that he did not have in contemplation the use of an emission of electrons; that he did not conceive of the use of an element which instead of using radiation of light or heat would utilize electrical current. His explanation discloses no intent to include in 'radiation,' electric current. Such current is not a heat ray or a light ray; nor do I believe it is within the concept of Dixon in his use of the term, 'or other forms of radiant energy.' I do not believe that his claims legitimately can be construed to teach what the defendants have practiced in this respect. Accordingly, there is no infringement" (12 F. Supp. 996, at 998).

Petitioner's allegation of a deficiency of proof with respect to that issue is based on his counsel's failure to introduce "evidence and/or matters for judicial notice comprising generally accepted facts respecting radiation or radiant energy and the scope and equivalency of the several forms thereof as comprised in leading scientific treatises, encyclopedia articles, and dictionary definitions" (R. 68-69). In support of that allegation, Petitioner has produced one page from an article in the *Encyclopaedia Britannica* (R. p. 153).

The *Britannica* article, or any other scientific treatise of which judicial notice could have been taken, could have affected the decision only if it defined "radiant energy" broadly enough to include electrical current. The *Britannica* article does not do so. No article that does make any such extreme claim has been mentioned to date in the many affidavits and briefs.

3. The stipulation allegedly limiting Petitioner's recoverable damages and proofs

The stipulation (R. 286-91) was beneficial, not prejudicial, to Petitioner's case, as will be clear from a comparison of the stipulation with the answers to Petitioner's interrogatories (R. 292-7), for which answers the stipulation was substituted. The answers to the interrogatories had admitted that Respondents "made and/or used and/or sold and/or licensed others * * *". Since making, using or selling are the only acts that constitute infringement, it is obvious that under the form of admission contained in the answer to the interrogatories the Respondent did not admit infringement since they may have only *licensed,* which is not infringement at all. Thus the stipulation, admitting as it did both using and selling, was more favorable to the Petitioner's case; and that is precisely why Petitioner's counsel in the prior suit requested the stipulation in place of the answer to the interrogatories (R. 343, 351-3). As the District Court said:

> " 'Such a stipulation is not an unusual one, and a far cry from anything from which fraud or corruption may be inferred * * *' (R. 772)."

Petitioner's contention that the stipulation released Respondents from liability for alleged infringing uses in four additional fields contained in the answers that were omitted from the stipulation is wholly without merit. Under well-settled principles of patent law Petitioner, if successful, would have been entirely free on an accounting to recover for the making, using or selling of all alleged infringing devices regardless of the fields in which such devices were used; and the stipulation, which admitted sale or use in four fields, did not release Respondents from liability for infring-

ing uses in other fields. However, all the uses of the alleged infringing device mentioned in Respondents' answers to the interrogatories, including those omitted from the stipulation, were in fact proved by Respondents at the trial (Rec. in prior suit, Fols. 253-4 and p. 251).

Petitioner's contention that the substitution of the stipulation for the answers to the interrogatories "eliminated" from the case the Colpitts reissue patent No. 14,380, owned by the corporate Respondents, is wholly without merit. Respondents' answer in the prior suit contained the same admission as the answers to the interrogatories, namely that they had made, used, sold or licensed "devices embodying inventions of all of said Colpitts patents" which included No. 14,380 (Rec. in prior suit, Fol. 55), and that admission in their answer was in no way amended by the stipulation.

Furthermore, the Petitioner had no greater burden imposed upon him by the stipulation than he would have had if the answers to the interrogatories had remained. Since the answers to the interrogatories did not admit infringement, the Petitioner would have been compelled to prove infringement by showing that devices containing the circuit of the reissue patent No. 14,380 infringed the Petitioner's patent sued upon in the prior suit. Hence, Petitioner's claim that the making of the stipulation imposed a greater burden upon him is wholly without merit.

III.

THE CIRCUIT COURT OF APPEALS CORRECTLY DECIDED THAT PETITIONER'S ACTION WAS BARRED IN ANY EVENT BY LACHES.

The statement of facts and opinion by Judge Frank of the Circuit Court of Appeals set forth all the relevant facts

with respect to Petitioner's laches (R. 911-18). In brief, the Petitioner waited for six years before seeking to set aside the earlier judgment; he now alleges that lack of legal knowledge to begin an action on his own behalf and lack of funds to hire an attorney prevented him from beginning the suit prior to an accident to his shoulder and arm on August 7, 1940, and presumably the painful effects of that accident caused the further delay (R. 913-14); meanwhile three of the attorneys in the patent infringement action, one for the Petitioner and two for the corporate Respondents, had died (R. 914-15). Subsequent to the Circuit Court of Appeals decision, Petitioner filed a petition for rehearing in which he again sought to explain his delay, but without adding any relevant facts (R. 922-27). The Circuit Court of Appeals denied that petition for rehearing (R. 931). Petitioner's brief in this Court furnishes nothing new in the way of fact or authority to the case as it was presented to the Circuit Court of Appeals.

The decision of the Circuit Court of Appeals on the laches point is entirely consistent with the decisions of this Court and of the several Circuit Courts of Appeals. See *Brown* v. *Buena Vista County,* 95 U. S. 157 (1877); *Leggett* v. *Standard Oil Co.,* 149 U. S. 287, at 294 (1893); *Russell* v. *Todd,* 309 U. S. 280, at 287-9 (1940); *Bower* v. *Stein,* 177 Fed. 673, 678 (CCA 9th, 1910); *Wolf Mineral Process Corp.* v. *Minerals Separation N. A. Corp.,* 18 F. (2d) 483, 490 (CCA 4th, 1927), cert. den. 275 U. S. 558; *Monroe* v. *Ordway,* 103 F. (2d) 813 (CCA 8th, 1939).

CONCLUSION

It is respectfully submitted that the petition for a writ of certiorari should be denied.

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